

Mexico

345. Telephone Conversation Between President Johnson and the Assistant Secretary of State for Inter-American Affairs (Mann)/1/

Washington, January 25, 1964, 12:20 p.m.

/1/ Source: Johnson Library, Recordings and Transcripts, Recording of telephone conversation between President Johnson and Thomas Mann, Tape F64.07, Side B, PNO 3. No classification marking. This transcript was prepared in the Office of the Historian specifically for this volume. An informal memorandum of conversation, including discussion of Panama, is *ibid.*, Papers of Thomas C. Mann, Telephone Conversations with LBJ, January 4, 1964-April 30, 1965. According to the President's Daily Diary (Johnson Library), Andrew Hatcher and George Reedy were in the Oval Office when Johnson called Mann.

[Omitted here is discussion of the negotiations to resume diplomatic relations with Panama.]

President: Please, let's get it in shape so we can get some people named now. And let's find some good top men. I am not at all happy with my Ambassador to Mexico. I want to get the greatest man in America. I had the greatest and I pulled him up here. He got me in Panama right after he got here./2/ And now I want you to find me-I want a Marlin Sandlin. I want somebody that's forty-five years old. You reckon he could get out of his business interests and give them up and go down there?

/2/ Mann was Ambassador to Mexico prior to his appointment in December 1963 as Assistant Secretary of State for Inter-American Affairs. He began his new assignment on January 3, 6 days before student demonstrations led to the crisis in Panama.

Mann: Well, you said you didn't want another Texan there. Marlin would be. The trouble with Marlin is, he's chairman of the board of Pan American Sulphur.

President: Well, couldn't he get out of that and resign it and give up his interests?

Mann: He could, but he'd be attacked and so would you.

President: All right.

Mann: I think Marlin's a great guy-

President: Well, let's get-

Mann: -but it depends on your political judgment.

President: No, he would be. What else can we get?

Mann: Well, we can get him Colombia. You could move Freeman to Mexico.

President: I want to get some man I know in Mexico that's my friend, that's looking after me, that's my manager, that's damned able. And I want him to understand business and I want him to be young and attractive. I want him to be a Sargent Shriver type.

Mann: Well, why don't you pick a good lawyer with good political sense? Somebody you know and have confidence in? We've got some Foreign Service people. I know that Friday,/3/ the Secretary and Ball thought that they were going to-the Secretary said he was going to recommend Freeman, who is your, probably one of the two best you've got in Latin America. The other one being in Brazil.

/3/ January 24.

President: OK.

Mann: Mexico. We could fill Colombia. But if you want somebody you know personally, and you don't know Freeman-

President: No, I don't.

Mann: -that would eliminate him. But he's good and he would be loyal to you.

President: Well, don't you know somebody that I know that's good?

Mann: I can get on the phone.

President: Like Marlin?

Mann: Well, I really hesitate for you-

President: I'm not talking about Marlin. I'm talking about somebody of his same qualifications, that's got his appearance.

Mann: Let me then try-I'll talk to Marlin and see if we can't cook up two or three names for you.

President: All right. Do that.

Mann: Probably be from Texas, but that wouldn't bother you?

President: No, but I'd rather get some other state. California might be good.

Mann: I think a young lawyer with good political instincts is what you want.

President: What about a Mexican?

Mann: Well, I wouldn't recommend that to you.

President: We got a helluva good Mexican out there that's head of finance department, California.

Mann: Well, if you know him. He has a couple of strikes on him. The Mexicans don't like what they call "pochos," that means people-

President: All right. OK. All right. The Mexicans won't take a white man. I don't-God-damned if I can understand that.

Mann: Well, it's a-

President: OK. That's all right. You go on and get me a good one. But get me one. I want to help them. We've been miserable to the Mexicans. I want you to get some in your Department. If you know any smart ones, you hire some. The Alliance for Progress. You don't have to go to Puerto Rico.

Mann: I think we could hire him up here and that would be easy. If you've got a fellow you want hired up here-

President: Well, but hell, he gets more than you do. He gets \$23,000 a year.

Mann: Well, everybody gets more than we do, but-

President: You find some Cornelli, or-What's his name, George?

Reedy: Luevano

President: Cornevano? What?

Reedy: Luevano. Danny Luevano.

President: Luevano. Danny Luevano. He's the head of finance in the state of California and they say he's a damned-able citizen. He's coming in next week and I'll send him to see you.

Mann: All right. Fine.

President: OK.

Mann: Fine./4/

/4/ In a subsequent discussion with Mann on ambassadorial candidates, the President agreed to move Fulton "Tony" Freeman to Mexico, replacing him in Colombia with Covey Oliver. (Johnson Library, Recordings and Transcripts, Recording of telephone conversation between President Johnson and Thomas Mann, February 5, 1964, 10:35 a.m., Tape F64.10, Side B, PNO 4) On February 29 Johnson announced the appointment of Daniel M. Luevano to be Assistant Secretary of the Army.

346. Memorandum of Conversation/1/

Palm Springs, February 21, 1964, 4:30 p.m.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL 7 MEX. Secret. Drafted by Donald F. Barnes (LS) and Hawthorne Q. Mills (S/S-S). Approved by Bromley Smith on February 27. The meeting was held at the President's residence. According to the President's Daily Diary, Johnson stayed at the private home of Louis Taubman, a Texas oil and real estate developer, throughout his visit to Palm Springs. (Johnson Library) After the private meeting the two Presidents were joined by their respective advisers for further discussion. A memorandum of conversation is in the National Archives and Records Administration, RG 59, Central Files

SUBJECT

Meeting between President Johnson and President Lopez Mateos

PARTICIPANTS

President Johnson

President Lopez Mateos

Mexican-American Relations

President Johnson said that relations between the United States and Mexico had never been better./2/ He said that this situation was due largely to the work of President Lopez Mateos. He said that he would like to meet with President Lopez Mateos at Chamizal some time before the latter leaves office and that the meeting should be the occasion for a tribute to President Lopez Mateos. The Mexican President replied that he too would like a meeting at Chamizal. He added that the Chamizal solution should not be credited to him personally but rather to the rule of law and the goodwill evidenced by the two countries. He said that Mexico planned to erect a monument to President Kennedy at Chamizal./3/

/2/ Johnson briefly discussed the state of U.S.-Mexican relations with Mann, February 19; see Document 2.

/3/ The Convention Between the United States of America and United Mexican States for the Solution of the Problem of Chamizal transferred 630 acres of land along the Rio Grande to Mexico, thereby confirming the arbitration award of 1911. The convention was signed on August 29, 1963, ratified by the Senate on December 17, and entered into force on January 14, 1964. (Department of State *Bulletin*, February 3, 1964, p. 186) For documentation on the negotiation of the convention, see *Foreign Relations*, 1961-1963, vol. XII, Microfiche Supplement, Mexico. Johnson and López Mateos met at Chamizal on September 25, 1964, for a ceremony marking settlement of the dispute. For text of Johnson's remarks, see Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1963-64, Book II, pp. 1117-1122.

President Johnson said that he had heard from American businessmen in Mexico that they were very pleased with the

treatment they had received from the present Mexican Administration. He asked whether equally good treatment would be received from the next Administration. President Lopez Mateos replied that the new Administration would extend even better treatment to American businessmen in Mexico.

President Lopez Mateos said that a number of recent events had led his country to adopt certain international policies which had been interpreted by some people as anti-American. President Johnson noted that Mexico had every right to exercise an independent foreign policy and he was sure that when the chips were down Mexico would be on the side of the United States. President Lopez Mateos affirmed that this was the case. He added that the U.S. Presidents he had dealt with invariably had shown great understanding of Mexican problems and that he had attempted to show an equal understanding of American problems. This approach had created the unprecedented goodwill that exists between the two countries.

Alliance for Progress

When President Johnson requested President Lopez Mateos' opinion of the Alliance for Progress, the latter replied that Mexico, unlike some countries in South America, believed that the program was sound. All projects which had been carried out in Mexico had been fruitful and effective, and his only criticism was that the Alliance often moved too slowly. Mexico had always understood that the Alliance was a cooperative effort, which was not the case with some South American countries that had been unwilling to effect the necessary internal reforms.

General de Gaulle

Asked for his opinion of General de Gaulle and French recognition of Red China, President Lopez Mateos replied that he believed de Gaulle had a Napoleonic complex and was moved by the idea that France, for historical reasons, had to make an effort to achieve standing as a major world power. He believed the retirement of Chancellor Adenauer who had formed such close ties with General de Gaulle had led the latter to feel that France would now be isolated within Europe. His reaction was to create a new center of attention in the Far East by recognizing Red China and in Latin America by visiting Mexico.

President Johnson asked whether Mexico would be influenced by France's recognition of Red China. President Lopez Mateos replied emphatically that it would not. He added that his country would always make its own foreign policy decisions.

Panama

In reply to President Johnson's request for his opinion on Panama, President Lopez Mateos replied that he felt the two countries had been boxed in by words. He believed the United States realized that the 61-year old treaty had to be brought up to date, while at the same time Panama did not want to administer the Canal. He believed that Panama was incapable of running the Canal by itself. The positions of the two countries were not as far apart as they seemed and a solution could be found if they could break out of the vicious circle of words. President Lopez Mateos said that except for the loss of life the incidents that had taken place in Panama were unimportant in themselves. As long as the basic Panamanian grievances remained Castroites and Communists throughout Latin America would take advantage of the situation to add fuel to the flames. He said that most thinking Latin Americans believed that the time had come for the United States to revise the treaty.

President Johnson said that the United States was always ready to sit down and discuss the treaty with Panama, but that under no circumstances could this country agree in advance on the revisions.

Cuban Subversion

President Johnson said that he was very concerned over Cuban efforts to export its revolution, as evidenced by the arms cache that had been found in Venezuela. President Lopez Mateos replied that it was impossible to export revolutions. He said that if fertile soil for a revolution existed in a given country, that country would have a revolution of its own without the need of importing one. If fertile soil did not exist, no one could successfully create a revolution in that country. He gave Mexico as an example, saying he was sure that Mexico with almost forty million inhabitants had more Castro sympathizers than Venezuela, but that these people had had no success in spreading their ideas. As far as propaganda was concerned, Venezuela was spreading more anti-Castro propaganda than Cuba was spreading anti-Venezuela propaganda.

Braceros

President Johnson asked President Lopez Mateos for his opinion of the bracero question now that the U.S. Congress was

going to let the agreement expire.^{/4/} He said that he realized that the braceros represented a sizeable source of foreign exchange for Mexico.

^{/4/} The "Bracero program" was passed in July 1951 as an amendment (PL 82-78) to the Agricultural Act of 1949. (65 Stat. 119) The program authorized the recruitment of migrant farm labor from Mexico for work in the United States. Although voting to extend the program in 1961 and 1963, Congress allowed the law to lapse at the end of 1964.

President Lopez Mateos replied that he had always felt that the use of Mexican braceros in the United States was a matter of mutual convenience rather than an obligation on the part of the United States. As Mexican Secretary of Labor many years ago he had told representatives of American unions that as soon as Mexican braceros received wages equal to American workers, he knew that U.S. farmers would prefer to use American labor. He still recognized that fact. His main concern was that illegal border crossings be prevented. He said it was logical to expect more illegal crossing attempts both because many Mexicans would continue to want to work in the United States and many American farmers would seek continued cheap labor. The only ones to be hurt by these illegal crossings would be American workers whose wages would be depressed. The Mexican Government would have to undertake a public works program to provide employment for the braceros. This would undoubtedly be a priority matter for the next Administration. It might perhaps be possible to start a large settlement program in the southeastern part of Mexico, although the necessary financial resources were not available.

Salinity

President Johnson acknowledged that the problem of the salinity of Colorado River water was a source of concern to Mexico. He said that a solution to this problem should be legislative rather than judicial but that the United States would have to await the outcome of experiments conducted by the Bureau of Reclamation. He noted that authorizing legislation and appropriations would have to be obtained from Congress and that he did not believe he could present such a request before January 1965. He said that he was aware of Mexico's concern, since Texas farmers were also concerned over salinity of the lower Rio Grande.

President Lopez Mateos said he was aware of the problems that President Johnson faced with the Congress and that he did not want to give the impression that he was pressuring the United States, although he recalled that President Kennedy had told him that the Bureau of Reclamation experiments would be concluded in October of 1963.^{/5/} He said that he was confident that a solution would be worked out, and asked whether the two governments might not set a date by which the salinity problems of both rivers might be settled. President Johnson replied that since Congressional action was involved it would be difficult to set a date.^{/6/}

^{/5/} Kennedy was in Mexico, June 29-July 1, 1962, for a state visit with López Mateos. For a memorandum of conversation on the salinity problem, see *Foreign Relations*, 1961-1963, vol. XII, Microfiche Supplement, Mexico. A joint statement also addressed the salinity of the water supply along the border. (*Public Papers of the Presidents of the United States: John F. Kennedy*, 1962, pp. 529-531)

^{/6/} For text of the joint statement issued following the meeting in Palm Springs, see *ibid.*: *Lyndon B. Johnson, 1963-64*, Book II, pp. 305-308.

347. Editorial Note

On May 11, 1964, President Johnson called Assistant Secretary Mann to discuss a recent incident involving the Ambassador to Mexico, Fulton "Tony" Freeman. Johnson asked: "What's this story about Freeman mixing up in politics down in Mexico?" He then described an article in which the Ambassador reportedly said that the Partido Revolucionario Institucional (PRI) candidate, Gustavo Díaz Ordaz, would win the presidential election on July 5, and spoke "approvingly" of the expected result. The opposition was already criticizing Freeman for interference in Mexican affairs. Although he had not seen the story, Mann doubted that Freeman could have made the statements attributed to him. He assured the President: "My advice to Tony was to stay away from the press in Mexico." The two men agreed that the story was "bad for the [Mexican] administration and bad for us." Johnson told Mann to call Freeman for a report on the incident. (Johnson Library, Recordings and Transcripts, Recording of telephone conversation between President Johnson and Thomas Mann, May 11, 1964, 12:17 p.m., Tape F64.26, Side B, PNO 2)

Mann reported back to the President within the hour:

Mann: "I talked to Tony on the telephone."

President: "Yeah."

Mann: "He said what happened was: last Wednesday [May 6] he went over to make a speech at the University Club there and the press got a hold of it and asked him what he thought about who's going to win the election. He said that was none of his concern. They asked him then what the American press was saying about the Mexican election. He said he told them what the American press was saying."

President: "He ought to have told them that he wasn't a reporter."

Mann: "Exactly. And I told him-He knows he's goofed on it but apparently it's not a major issue down there yet. It was [unintelligible] the opposition PRI got a hold of it and made a statement. But this was just a one shot affair that happened last Thursday or Friday. There hasn't been any published it since or any editorials about it. And I reminded him again that the magic words were: "We don't intervene in Mexican internal affairs. They're perfectly capable of running their own government." And he agreed that was the line he would follow and not let the press push him off that line."

President: "All right." (Ibid., Recording of telephone conversation between President Johnson and Thomas Mann, May 11, 1964, 12:50 p.m., Tape F64.26, Side B, PNO 3) The portions of the conversations printed here were prepared in the Office of the Historian specially for this volume.

348. Memorandum From Secretary of State Rusk to President Johnson/1/

Washington, June 22, 1964.

[/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. I, Memos, 12/63-12/65. Confidential. Another copy indicates that the memorandum was drafted by Mann. \(National Archives and Records Administration, RG 59, ARA/MEX Files: Lot 69 D 377, POL 33 Water, Boundaries, Inland Waters\)](#)

SUBJECT
Salinity Problem with Mexico

Over the last month, State and Interior carried on intensive discussions to find a solution to the salinity problem. A proposal was worked out which Mr. Dungan and I discussed with Senator Hayden.[/2/](#) I understand that the Senator found it acceptable, but that we are unable to proceed with negotiations until other problems on the Colorado, which the Senator regards as related, are also settled. I am not certain Mexico will accept the proposal but it gives us a negotiating position for the first time.

[/2/ Senator Carl T. Hayden \(D-Arizona\), chairman of the Senate Committee on Appropriations. Johnson reviewed the negotiations with Senator Hayden in a telephone conversation with Assistant Secretary Mann on June 11; see Document 16.](#)

In the meantime, Mexico continues to receive what it regards as poor quality water. Mexicali farmers are agitated, and carrying on weekly demonstrations. They plan demonstrations throughout Mexico on July 12. Although they have been assured by Mexican officials that a solution is forthcoming momentarily, they are aware of none and fearful of receiving water beginning in October which they consider unusable for irrigation. They use U.S. Department of Agriculture handbooks to prove their case. The Mexican President has been told by his Senate Majority Leader (Senator Moreno Sanchez), that the United States would solve the problem before you meet with Lopez Mateos in October. The incoming Mexican President, Diaz Ordaz, has told the Mexicali farmers that if the problem is not solved by the time he takes office in December, he will present the dispute to the International Court. Emotions are running high in Mexico. Whereas the Mexican Government was trying to keep things quiet, demonstrations now are obviously being carried out with the approval of the Mexican Government. After three years of the best relations in our history with Mexico, we are clearly headed for trouble unless a solution is found quickly.

Although the effect on our relations with Mexico will be serious, the probable risk to the water rights of the seven Colorado Basin States is equally disturbing. Over the two and one-half years that this dispute has dragged on, Mexico has insisted more and more that it is entitled to water of equal quality. Mexico argues that the Treaty[/3/](#) divided the waters of the

Colorado, and that it is unjust for Mexico to receive all of the drainage and for U.S. irrigators on the opposite bank of the river to receive sweet water from storage. We can make a fairly persuasive case on the basis of the history of the Treaty, and the Treaty itself, against the Mexican contention for equal treatment. But I am rather uneasy about arguing before the International Court, where all but a few of the judges are from the less developed countries, that Mexico is not entitled to equal treatment. We estimate that we are now delivering to Mexico 600,000 acre feet of drainage water to fulfill our Treaty commitment. At ultimate development (about 1980), it is estimated that we will be delivering about 900,000 acre feet of drainage water. With run-offs averaging 10 million acre feet or less over the last several years, the danger of an adverse decision requiring us to deliver water from storage is uncomfortably evident.

[/3/ Reference is to a treaty relating to the utilization of water from the Colorado and Tijuana Rivers and from the Rio Grande. The treaty was signed by the United States and Mexico on February 3, 1944. \(59 Stat. \(pt. 2\) 1219\)](#)

Although neither Senator Hayden nor Reclamation have been willing to acknowledge the risks we are running, they are now acting as if they understood them.

It is essential that we begin negotiations with Mexico immediately if we are to have any hope of selling the proposal which has been worked out. More delay, accompanied by anti-American demonstrations in Mexico, may make it politically impossible for Mexico to agree to anything we would regard as reasonable. I hope that you can get Senator Hayden's agreement that we may proceed with negotiations.[/4/](#)

[/4/ Hayden attended the weekly legislative leaders breakfast with President Johnson on June 23. \(Johnson Library, President's Daily Diary\) No substantive record of the meeting, or evidence that the salinity problem was discussed, has been found.](#)

Dean Rusk

349. Memorandum From the Assistant Secretary of State for Inter-American Affairs (Mann) to Secretary of State Rusk^{1/}

Washington, July 2, 1964.

[/1/ Source: National Archives and Records Administration, RG 59, ARA/MEX Files: Lot 71 D 188, POL 14 Diaz Ordaz Election-1964. Confidential. Drafted by Harry Bergold \(ARA/MEX\) and initialed for Mann by Adams. A notation on the memorandum indicates that Rusk saw it.](#)

SUBJECT
Mexican Elections, July 5

The Mexican presidential campaign, ending with the July 5 elections, has been unusually active with minority parties, both left and right, having been encouraged by the dominant "official" party, the Institutional Revolutionary Party (PRI), to campaign forcefully in opposition to the Government. In early April, there was some fear that the PRI's policy of an open campaign might result in violence especially in outlying rural areas. This fear was heightened, on April 6, when PRI candidate Gustavo Diaz Ordaz found himself in the midst of an unfriendly demonstration mounted by leftists and communists in the northern city of Chihuahua. The PRI did not meaningfully curb the leftist opposition but it did greatly increase the security protection for Diaz Ordaz. This proved sufficient to deter demonstrators and the rest of the campaign was almost completely free of disturbances.

It is expected that Diaz Ordaz will win the kind of overwhelming victory that PRI presidential candidates are accustomed to.[/2/](#) Current Mexico City guesses are that he will get between 85 and 90 percent of the popular vote with most of the remainder going to the conservative National Action Party (PAN). Except for the marxist Popular Socialist Party (PPS), no communist or far leftist parties are registered for participation in the election. A communist party, the Peoples Electoral Front (FEP), is running a candidate, even though the party is unregistered, and he will probably get several thousand write-in votes.

[/2/ Díaz Ordaz won the presidential election with approximately 88 percent of the vote.](#)

Diaz Ordaz, the next President of Mexico, is 53 years old, a native of the state of Puebla, and a former Minister of Interior in the Government of the incumbent President, Adolfo Lopez Mateos. Diaz Ordaz has a reputation as a forceful personality and was considered to be the most moderate of all the aspirants to the PRI presidential nomination.

A specific conclusion that can be drawn from Diaz Ordaz' campaign speeches, traditionally general in their content, is that the candidate is determined realistically to attack the problem of rural poverty in Mexico. To effect the necessary changes, Diaz Ordaz will have to force the Mexican bureaucracy to bring to bear on the agrarian problem a number of essential technical, financial and other institutional reforms. In foreign affairs, the Diaz Ordaz administration may from time to time take positions closer to ours than was the case under the Lopez Mateos Administration, but no major shifts in Mexican policy are expected in the short run.

350. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson/1/

Washington, July 27, 1964.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. I, Memos, 12/63-12/65. No classification marking.

SUBJECT
Salinity Problem with Mexico

The Mexican Ambassador will call on you at 6 PM, July 28, to deliver a letter from President Lopez Mateos on our proposal to resolve the salinity problem on the lower Colorado River. Secretary Udall, Tom Mann, and Mr. Sayre, from my staff, will attend.

The Mexican Ambassador will make three basic points:

1. Mexico appreciates the efforts the U.S. has made to achieve a

solution to the salinity problem. The U.S. proposal being discussed in

the International Boundary and Water Commission would reduce the amount of salt in water delivered to Mexico, but there would still be more salt than would result from normal irrigation operations. The proposal promises a further reduction in salt from Wellton-Mohawk, but gives no indication as to when. Moreover, it still contemplates the delivery of underground salt water and not "return flow," as defined by the Treaty.

2. Mexico regards a by-pass channel (either entirely separate, or within the present channel of the Colorado River) as the only way to achieve a prompt and satisfactory solution.

3. Mexico will continue to reserve its legal position on the interpretation of the 1944 Treaty and international law just as both countries did in the Chamizal settlement.

I recommend that you inform the Mexican Ambassador:

1. We share the Mexican desire for an early solution to this problem.

2. We will review our proposals to see if there is any possible way to reduce further the amount of salt which would be delivered to Mexico this winter. We will also try to give Mexico an answer on when the Wellton-Mohawk district can achieve normal operation, i.e., when it will be in salt balance.

3. We have studied the by-pass channel alternative. We know that Mexico is interested in a result that would be satisfactory to both governments, and not necessarily in the alternatives the U.S. adopts to achieve that result. At the moment we cannot say whether a by-pass channel should be included in the combination of works to achieve that result.

4. We agree that we should seek a practical solution with no attempt to interpret or modify the 1944 Treaty. We have no

problem with both sides reserving their legal positions./2/

/2/ Although he delivered the letter as scheduled, Carrillo Flores reported that "the situation had changed since the letter had been written in that the Mexican Commissioner had given the views of the Mexican Government to the United States Commissioner." President Johnson asked Udall "to take action to resolve the salinity problem." Johnson also extended an invitation for Díaz Ordaz to visit his Texas ranch in October. (Memorandum of conversation, July 28; National Archives and Records Administration, RG 59, Central Files 1964-66, POL 33-1 MEX-US)

McGeorge Bundy/3/

/3/ Printed from a copy that bears this typed signature.

351. Editorial Note

[text not declassified]

352. Memorandum of Conversation/1/

LBJ Ranch, Texas,

November 13, 1964, 10-11:45 a.m.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1964-66, POL MEX-US. Confidential. Drafted by Sayre. Approved in the White House on December 10. The memorandum is part I of II. Part II recorded discussion on November 12 on Mexican-Cuban relations. (Johnson Library, National Security File, Country File, Mexico, Díaz Ordaz Visit, 11/12-11/13/64)

SUBJECT

President Johnson's Conversation with President-elect Díaz Ordaz

PARTICIPANTS

The President
President-elect Díaz Ordaz
Antonio Carrillo Flores, Ambassador of Mexico
Thomas C. Mann, Assistant Secretary
Angier B. Duke, Chief of Protocol
Robert M. Sayre, White House staff
Donald Barnes, Interpreter

The President outlined his economic philosophy. He emphasized especially the need to maintain the confidence of investors. He observed that investors have to feel secure and have no fear that their investments will not be destroyed or confiscated by the government. The United States was now in its 45th month of unbroken economic growth. The President felt that investors' confidence was a major factor in setting this record. He regarded a high level of investment as basic. Without it, plants would not be built, nor jobs created. He was not disturbed at a high level of profit. On the contrary, he welcomed it because the government got 52¢ out of each dollar of profit. The greater the profits of business, the more government received to carry on essential programs.

Díaz Ordaz expressed general agreement with this philosophy, but he said Mexico had a special problem which could not be resolved by guaranteeing the security of investment. This problem was the extent to which the Mexican economy was dependent on actions of the United States Government. He then discussed cotton (threat of variable subsidy); sugar (no assured quota); coffee (no U.S. legislation implementing the International Coffee Agreement); silver (U.S. stocks could upset the market); lead and zinc (stagnation in industry because of over supply); fluoride (tariff barriers), etc.

Díaz Ordaz said Mexico needed long term assurances on its primary products so it could do long term planning. He said that Mexico had always found great comprehension in the United States. But he regarded this as an "act of grace," by the

United States.

(Mr. Sayre asked the Mexican Ambassador later if this did not amount to a suggestion for a trade agreement. The Ambassador said it probably did, but a bilateral agreement and not participation in GATT. Mexico found no merit in joining GATT.)

Diaz Ordaz said the President could expect any Mexican Ambassador to be persistent, because it needed cooperation on its primary products to avoid a very serious situation.

The President said he understood this problem. He was certain that the Mexican President-elect understood the political problems of the United States on importing primary products because they were not different from the problems the President-elect would face. The President said he would like to be helpful on, for example, sugar. But when he agreed on a foreign quota, he had to hold down the domestic quota. The inevitable result was that farmers who could vote in the United States asked why Mexicans who do not even live in the United States got quotas and American farmers did not. Sugar is now grown in 22 states and the Senators from these states are, of course, pressing for increased domestic quotas.

The President said he knew that the Coffee Agreement was essential. He noted the problem of only having coffee consumers in the United States and no producers interested in market stability. But he assured the Mexican President-elect that he would seek action on coffee. He observed that it would be very difficult to get good legislation, but in doing so we would show our real friendship for Latin America.

Diaz Ordaz said he understood the situation perfectly. He regarded these problems as trade matters and hoped they would be dealt with as trade problems and not political problems. He thought that relations would be stronger if Mexico did not have to depend on loans or special legislation by the United States Congress.

The President said he could not agree that loans adversely affected relations. He recalled his own personal experience in borrowing money from a friend when his friend had reason to doubt that he would ever be repaid. The President considered the lender as one of his best friends and still did today. He thought that loans on special terms were helpful.

Diaz Ordaz said there were two urgent problems:

1. Colorado River Salinity

He said that he knew we had reached agreement in principle and that only a few details remained to be worked out.

Diaz Ordaz said he could not agree with the United States that it had no obligations as to quality merely because it is not mentioned in the Treaty. He thought the United States had an obligation to act responsibly. He was confident that the International Court would hold that the water users on the right bank of the river were entitled to the same quality of water as those on the left bank. He thought the problem could be settled in the near future if the Boundary Commission had instructions to do so.

The President said that the United States Boundary Commissioner had such instructions. He observed that Commissioner Friedkin was one of the most competent persons he had working for him and knew he would do a good job. He said he could not accept the legal viewpoint, which Diaz Ordaz had outlined, but that Diaz Ordaz could be assured that the United States would do the right thing.

The President referred to the salinity problem on the Rio Grande, which was so injurious to farmers in the United States. Diaz Ordaz said that Mexico is ready to do what is necessary to solve this problem on the basis of the same principle he proposed for solution of the Colorado River problem.

2. Migratory Workers (Braceros)

Diaz Ordaz said he understood the problems of the United States and why PL-78 had not been extended.¹² But he expressed concern that the situation which existed before the agreement would recur. He said Mexico would not ask for extensions of the agreement or the hiring of Mexican workers. He wanted the United States to prevent illegal entries and improper recruiting activities. He wanted to be assured that any Mexicans brought in on private contracts were properly treated.

/2/ See footnote 4, Document 346.

The President said that both Mexican and United States labor unions had opposed PL-78. The Secretary of Labor was making a concerted effort to find workers in the United States. If this effort did not prove successful, then he thought the United States and Mexico should enter into a new agreement. He urged that such an agreement be simple and avoid the bureaucratic red tape which plagued the existing program.

At 11:45 a.m. the meeting ended and the President and President-elect departed for a tour of the Ranch.

353. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson/1/

Washington, March 12, 1965.

/1/ Source: Johnson Library, National Security File, Memos to the President, Mc-George Bundy, Vol. IX. No classification marking.

SUBJECT
Salinity Problem with Mexico

We agreed in late January on the text of a proposed five-year agreement with Mexico in an effort to reach a practical solution to the salinity problem. We have been checking it out since then with domestic interests to make certain it is acceptable before signature. The text of the agreement, in the form of a Boundary Commission Minute, is attached./2/

/2/ Attached but not printed.

We have also worked out a five-year truce under which both countries agree to negotiate remaining differences instead of going to the World Court. The chief remaining difference is Mexico's claim for damages which State is thinking of disposing of in a loan to help rehabilitate the Mexicali Valley.

State and Interior are working on a memorandum of understanding between them to define the responsibility of each agency for carrying out the proposed agreement.

Udall and Mann consider the proposed settlement as better than generally thought possible and recommend we accept it.

The seven Colorado Basin States were consulted at a meeting at Phoenix on January 26-27. The seven Governors have now written you accepting the agreement with some reservation, expressing their appreciation for the close consultation with them, and commending the negotiators. Interior believes it has satisfied the Governors on their reservations. It is recommended you reply in general terms to the Governors and leave the technical points for Secretary Udall to handle.

Senators Hayden and Anderson and Congressman Aspinall have accepted the agreement. However, Senator Hayden made his approval subject to the condition that you would send up a budget amendment for FY 1966 requesting the \$2.2 million needed to complete the \$5 million in works called for in the agreement (Interior has \$2.8 million), and \$3 million to start a \$7 million 17-well ground water recovery project in the Yuma area.

Interior recommends that you accept Hayden's conditions. Budget concurs, but recommends that Hayden be informed that the 94-well ground water recovery program in the Yuma area, of which the 17-well project is a part, poses difficult problems in our relations with Mexico, which must be studied thoroughly. The Administration's commitment is, therefore, limited to the 17 wells. Mexico has protested the 94-well ground water recovery program, but State interposes no objections to the 17 wells. Budget will send separately the proposed budget amendment for your signature and transmission to the Congress.

We considered the possibility of a ceremony in connection with the signing of the agreement. Mexico is opposed. They regard the agreement as a hard bargain, and thus difficult to sell politically in Mexico. Simultaneous Presidential announcements of the settlement are planned at the time of signing. I will recommend the draft of such a statement after it has been worked out with Mexico.

Recommendations: /3/

/3/ The President approved all three recommendations. The agreement on the salinity of the lower Colorado River was signed on March 22. The text of the agreement, a statement by President Johnson and a joint State-Interior announcement are in Department of State *Bulletin*, April 12, 1965, pp. 555-557.

1. That you sign the attached letters /4/ to the Governors of the Basin States.

/4/ Not attached.

2. That you approve the Budget amendment.

3. That you authorize the signature of the proposed agreement with Mexico.

McG.B.

354. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to Secretary of State Rusk and Secretary of the Interior Udall /1/

Washington, April 6, 1965.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. I, Cables, 12/63-12/65. Confidential.

The President has approved the proposed agreement with Mexico, which the Departments of State and Interior recommended, as the best attainable measures we could take now to settle the salinity problem. The Wellton-Mohawk problem is a special case, but it would be desirable to look at projected future operations on the Colorado River so that we will avoid the possibility of a future dispute with Mexico.

We should consider whether projected future operations will serve the basic interests of the United States. The basic interests here involved are, of course, protection of the water rights of the United States and the maintenance of friendly relations with our nearest southern neighbor. The example of excellent relations with Mexico also has a bearing on our world posture.

I know that some of the Basin States continue to be dissatisfied with the 1944 Water Treaty itself and believe that our policy should be conditioned by the fact that Mexico was guaranteed a quantity of water larger than it should have been given. I should think our best interests are served by carrying out in good faith the bargain made in 1944. I gather that the Mexican response to comments that the 1944 Treaty was a bad bargain for the United States has been that Mexico made bad bargains in 1848 and 1853.

One of the conclusions that the two Departments have apparently reached, after more than three years of work on the Wellton-Mohawk problem, is that the United States has an obligation to act reasonably in conducting irrigation in the United States. In technical terms, this translates itself into a requirement that U.S. irrigation districts maintain approximate salt balance. This fairly well defines our legal view of the 1944 Water Treaty.

On the other hand, Mexico has from the first held to the view that the Treaty divided the waters of the Colorado and that it was, therefore, entitled to the same treatment as users in the United States. In short, it asserts that the United States has no right to deliver all of the drainage water to Mexico, but should divide it proportionally among all the users on the lower Colorado.

If, as is apparently generally expected, the overall quality of water in the lower Colorado continues to deteriorate, it would be to Mexico's interest to test its legal theory. On the other hand, it is in our interest to avoid such a test. But if we are to do so, we need complete data on projected developments as the basis for developing an agreed strategy.

The Department of the Interior should take the leadership in developing data on the following points and any others that the two Departments consider appropriate. I would hope we could have the study before the end of the year. The study should assume that the Department of the Interior will in the course of the next few years be able to limit flows to Mexico to its guaranteed annual allotment of 1,500,000 acre feet:

1. What will the quality of water delivered to Mexico be each year over the next twenty years? This should consider existing projects, those contemplated in the Pacific Southwest Water Plan, and others that might be developed over the next twenty years.
2. What will the quality of water delivered to U.S. irrigation projects below Imperial Dam be overall and by project for these same years?
3. What quantity and percentage of Mexico's guaranteed annual amount will be drainage return flow for these same years?
4. What U.S. irrigation districts in the lower Colorado River now use drainage return flow for irrigation? Is it contemplated that these amounts will increase or decrease over the next twenty years?/2/

/2/ The proposed study has not been found. In a memorandum to Rusk, March 22, 1966, Sayre complained: "The Interior Department ought to have been able to furnish us before now the results of studies on the salinity of water to be delivered to Mexico that the White House requested in April 1965." (National Archives and Records Administration, RG 59, Central Files 1964-66, POL 33-1 MEX-US)

McGeorge Bundy

355. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson/1/

Washington, December 21, 1965, 2 p.m.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. I, Memos, 12/63-12/65. No classification marking.

SUBJECT
Lower Rio Grande Salinity Problem

The attached memo from State (Tab B)/2/ explains that the US-Mexico Boundary and Water Commission (IBWC) has come up with a recommendation for solving the lower Rio Grande salinity problem. The solution involves building a canal in Mexico to take the saline drainage to the Gulf of Mexico. Cost of construction and of operation and maintenance (estimated \$1.2 million) would be shared on an equal basis. State proposes that announcement of the IBWC recommendation be in the form of a joint press release by you and President Diaz Ordaz.

/2/ Tab B is a memorandum from Read to Bundy, December 15; attached but not printed.

The IBWC recommendation has been staffed out. Bureau of the Budget is on board. Congressman de la Garza wants to introduce the enabling legislation. Senator Yarborough has been filled in and supports the project. The local Texas farmers, needless to say, are all for it. Interior is not directly involved, but has been informed.

The project is a good one. It is beneficial to farmers on both sides of the border. It is in line with your general effort to solve boundary problems with Mexico. At a time when other Latin American countries are denouncing-and shooting-each other over border disputes, it is a good example of how states with a common border can cooperate to mutual advantage. From a domestic and foreign standpoint, I think it would be advantageous for you to be associated personally with it.

I, therefore, recommend that you authorize us to negotiate with the Mexicans for a joint Presidential announcement along the lines of Tab A./3/ If you authorize the negotiations, we will, of course, check the text worked out with the Mexicans with you before giving it to Bill Moyers for release.

/3/ Attached but not printed.

McG.B.

Authorize negotiations for a Presidential announcement/4/
Prefer not making it a Presidential announcement

/4/ The President checked this option. For text of the press statement released by the White House on December 30, see Department of State *Bulletin*, January 24, 1966, p. 118. On February 10, 1967, the White House announced that the United States and Mexico had approved an agreement to solve the salinity problem of the Rio Grande. (Ibid., March 13, 1967, pp. 428-429; and *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1967*, Book I, p. 175)

356. Memorandum of Conversation/1/

Mexico City, April 14, 1966.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. II, 1/66-2/67. Confidential. Drafted by Barnes on April 27 and approved by Walt Rostow on June 2. The meeting was held at Los Pinos on the "evening of April 14 and morning of April 15." According to the President's Daily Diary, Johnson met Díaz Ordaz in a private session on April 14 (9:30-10:15 p.m.); the two men met again the next morning (9:20-10:37 a.m.) with their key advisers. (Johnson Library) President Johnson was in Mexico City for an informal visit, including a ceremony to dedicate a statue of Abraham Lincoln. For his remarks at the dedication and other occasions during the visit, see *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1966*, Book I, pp. 416-422.

SUBJECT

Conversation between Presidents Johnson and Díaz Ordaz, Los Pinos, Mexico City

PARTICIPANTS

President Lyndon B. Johnson, United States
President Gustavo Díaz Ordaz, Mexico

Cotton

President Díaz Ordaz said that Mexico had suffered considerable losses because of a drop in cotton prices. He complained that the Soviet Union was depressing the international cotton market by buying and then reselling cotton for export at low prices. He said that the United States, and Mexico, plus the other cotton-producing Latin American countries, supplied over half of the world market, and were therefore in a good position to affect world prices. He expressed his appreciation for the position adopted by the U.S., which could easily dump cotton, thereby getting rid of its surpluses and in the process ruining the economies of many countries, including Mexico. This, he said, would be like winning all of the chips in a poker game: the game would be over. He was encouraged by the establishment of the International Cotton Institute, headed by former Mexican Agriculture Secretary Rodríguez Adame, but believed that a world agreement would be useful to help in the stabilization of prices.

President Johnson replied that he was aware of the importance of cotton to so many countries, and that the U.S. would continue to study possible means of stabilizing prices. He said that an overly high price for cotton might lead to a loss of markets, because of competition by synthetic fibers.

Sulphur

President Díaz Ordaz said that the Pan American Sulphur Company and the Mexican Government differed over the amount of sulphur reserves in Mexico, and that the company estimated the reserves as being higher than did the Mexicans. This was an important difference of opinion, since the reserve estimates had a direct bearing on the amount of sulphur that Mexico would allow the company to export. President Johnson suggested a compromise between the two figures, and requested Mexico to do everything it could to permit increased exports to the U.S., to alleviate the strong pressures for an increase in sulphur prices in the U.S., which in turn contributed to inflationary trends. President Díaz Ordaz said that he would look into the matter, and that Mexico would do anything it could in this direction. He wanted to point out that the above-mentioned company had maligned Mexico in many other countries, saying that Mexico was not living up to its agreements, while the truth was that the company had not been able to export its allocated quota the previous year.

Cultural Exchange

President Johnson recalled that when he was a Senator, he had visited the then President-elect of Mexico, López Mateos, in Acapulco, and that at that time there were a number of issues pending between the two countries: The Chamizal, Colorado River salinity, for example. Now, all of those problems had been settled, and he thought that this was a propitious time to launch a joint and positive effort, taking advantage of the absence of major differences. He suggested that the two Presidents each appoint a panel of imaginative men, to come up with suggestions for an exchange of persons; not of students or teachers, but in different fields. He proposed, for example, that the U.S. might send Secretary Freeman to advise Mexico on agricultural problems, much in the same line as the Secretary's trip to Vietnam. He also mentioned the possibility of Under Secretary Mann going to Mexico to consult with the Government on economic problems, including the cotton matter. He suggested that Mexico might send representative artists to tour the U.S., particularly in areas with a heavy concentration of Mexican-Americans. As an example, he mentioned Cantinflas.^{/2/} He also said that thought might be given to having Mexico send persons to provide leadership to Mexican-American citizens in the U.S.

^{/2/} "Cantinflas" was the stage name of the Mexican comedian Mario Moreno.

President Díaz Ordaz said that he thought that this proposal was a good one. Mexico had a number of artists it could send to the U.S. He would exclude painters, since in Mexico, because of a certain snobbish approach, many painters were Communists, and he would not want to send them to the U.S.

Future Visits

President Johnson suggested that the two Presidents and their families might meet at Big Bend National Park, and in the adjoining Mexican forest area, to emphasize recreation and conservation. President Díaz Ordaz said that he was all in favor of this, and suggested that the two Presidents also visit the Amistad Dam nearby. His only concern, a minor one, was that he would have to obtain permission from the Mexican Congress to cross the border, and he did not want to have to go to his legislature too often for this purpose. President Johnson said that this problem could be obviated by having the two Presidents meet on the Mexican side of the border.

Mexican Economy

Both Presidents agreed that the Mexican economy was doing very well; President Díaz Ordaz said that his country had reached the "take-off" point. They both also agreed that Mexico should increase its efforts to assist less developed countries, particularly in Central and South America. President Díaz Ordaz said that he intended to follow this course. It had been amusing, he said, during his recent visit to Central America, to see how Mexico is considered there, and especially in Guatemala, as the "Colossus of the North." He said that the best Ambassadors Mexico had in these countries were Central Americans who had studied in Mexico, many of whom had married Mexican girls. There were large numbers of Central Americans studying in Mexican institutions at the present time.

In-bond Warehouses

President Díaz Ordaz said that he was interested in settling the problem of in-bond warehouses on the border, since sales from these warehouses produced no revenue to either government. President Johnson said that he agreed that the matter should be studied.

Ex-Im Loan to PEMEX

President Díaz Ordaz effusively expressed his delight that we have broken a long taboo against Exim Bank loans to nationalized oil companies. He stated that Mexico probably could have obtained the loan elsewhere but was happy that our policy has changed. He also referred to the unhappiness that arose in the United States over the credit Mexico obtained about two years ago for the purchase of Soviet drilling equipment. He said that Mexico was extremely unhappy about the Soviet equipment which is far inferior to the latest U.S. equipment and even to some equipment that Mexico has.

President Díaz Ordaz' Central American Trip

At the luncheon at Los Pinos, President Johnson asked Díaz Ordaz to tell Mrs. Johnson about his trip to Central America. President Johnson indicated that he might wish to send Mrs. Johnson on a similar trip.

Cuba, Dominican Republic and OAS

The two Presidents, in their conversation, did not mention Cuba, the Dominican Republic, or the OAS.

President Johnson mentioned the Dominican Republic briefly to Foreign Secretary Carrillo Flores stating that he had to do something when Ambassador Bennett called while the Embassy was being fired upon. He also told the Foreign Secretary that Castro had told the British Ambassador in Havana that the Soviets had let Cuba down badly on two occasions, once over missiles and once over the Dominican Republic. The Foreign Secretary made no comment.^{/3/}

^{/3/} For text of the joint statement issued following discussions with Díaz Ordaz, see Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1966, Book I, pp. 422-424.

357. Memorandum From the Under Secretary of State for Economic Affairs (Mann) to President Johnson^{/1/}

Washington, August 30, 1966, 12:45 p.m.

^{/1/} Source: Johnson Library, National Security File, Memos to the President, Walt W. Rostow, Vol. 11. No classification marking. Rostow forwarded the memorandum as an attachment to an August 30 note in which he recommended approval of "Tom's suggested strategy."

Mr. President:

Carlos Trouyet and others in the Mexican private sector recently bought a number of Mexican cotton textile mills and invested capital in modernizing them. The pressure on Díaz Ordaz is almost certain to come principally from these owners. Measured in terms of millions of square yards, Mexican cotton textile exports to the U.S. have risen from virtually zero some 3 or 4 years ago to an estimated level of perhaps 60 to 70 million in 1966.

An increase of this magnitude in Mexico's traditional exports of cotton textiles to our market cannot continue because (a) this would be unfair to many other cotton textile exporting countries which, at our insistence, have agreed on voluntary restraints, and (b) because the long-term cotton textile agreement negotiated some years ago would unravel. The pressure in Congress for protective import quotas on cotton textiles would then be irresistible.

I therefore believe the U.S. has no alternative but to make clear to Mexico that it is necessary to work out with them a ceiling on the level of their cotton textile exports to this market and that, failing in this, we will have to impose the quota that the world agreement contemplates. This ceiling should be a generous one, but in any event Mexico will come out with a much higher level of exports than they are entitled to from an historic point of view.

The tactic is important. I suggest that Walt Rostow and Linc Gordon call in Margain and explain that you really had no choice in this matter for the reasons stated in the preceding paragraph, and you are under great pressure not only from the industry but from all the interested departments, as well as other cotton exporting countries. Walt and Linc should explain to the Ambassador that under the long-term agreement which Mexico is party to, notice is required, and that this notice will have to be given. They should add that this would still allow 60 days to negotiate a satisfactory level, and they should suggest that the Mexicans send their best team to Washington to talk about this at their earliest convenience. The U.S. negotiating team should be headed by Linc Gordon if he is here, and if not, by Bob Sayre. Commerce and the other interested departments should of course participate. The negotiations conducted through Freeman thus far have not prospered and, in my judgment, it is not likely that they will as long as we negotiate through the Embassy in Mexico City.

Some two or three days following this meeting, a more formal notice should be given the Mexican Embassy at working levels and in the most abbreviated and polite form possible. The lawyers may say that this must be done in writing. If so, this is O.K. provided care is taken with the text.

There will be some repercussions in Mexico simply because all Mexican Governments must continually demonstrate to their people that they are negotiating tough with the U.S. There may be some adverse publicity. However, it would be easy to overestimate the significance of any initial official government reaction to the conversation and notice, since the Mexicans know as well as we do that their whole economy depends on our cooperation. They will have to find a way to adjust just as soon as they are convinced that there is no more give in the U.S. position.^{/2/}

^{/2/} The President approved these recommendations at the Tuesday luncheon on August 30. (Memorandum from Rostow to the President, August 30; *ibid.*) According to the President's Daily Diary, luncheon participants included Rusk, McNamara, Moyers, and Rostow. (Johnson Library) No substantive record of the meeting has been found.

Tom Mann^{/3/}

/3/ Printed from a copy that bears this typed signature.

358. Memorandum From the President's Special Assistant (Rostow) to President Johnson/1/

Washington, September 29, 1966.

/1/ Source: Johnson Library, National Security File, Memos to the President, Walt W. Rostow, Vol. 13. Confidential. A copy was sent to Moyers.

SUBJECT

Status Report on Your April 15 Agreements with President Diaz Ordaz

Secretary Rusk and Linc Gordon will be in Mexico this weekend for the inauguration of the new Mexican Foreign Office Building./2/

/2/ Rusk was in Mexico City, September 30-October 1. Memoranda of his conversation with Díaz Ordaz on September 30 are in the National Archives and Records Administration, RG 59, ARA/MEX Files: Lot 69 D 377, POL 7 Visit-Secretary Rusk.

I thought you would like to know where we stand on implementation of the decisions you reached with President Diaz Ordaz last April 15, some of which will be discussed by the Secretary and Linc during the visit.

Measures to Expand Border Trade

Ambassador Turkel/3/ will make this study. He has for the past several weeks been briefing himself on a part-time basis. Next Monday, October 3, he starts full-time work on the project. Professor James Gander will be working with him. Professor Gander has developed a bibliography and collected information on border trade which will serve as the starting point for the project. After briefings and research in Washington, Ambassador Turkel will move his base to El Paso. He plans to have his study completed in about three months. The Mexicans have also named their man.

/3/ Ambassador Harry Turkel had been appointed "to study problems and make recommendations regarding facilitating trade in the U.S.-Mexican border area." (Department of State *Bulletin*, January 9, 1967, pp. 70-71)

Consultation on Cotton

Secretary Freeman visited Mexico City June 6-7. He had a full and frank exchange of views with President Diaz Ordaz and other high officials on the cotton pricing problem. He reassured the Mexicans that the U.S. would: (1) not dump cotton, (2) not sell cotton below 22 cents a pound for the marketing year 1966-67, and (3) continue to support Mexico on an international cotton commodity agreement. This trip fulfilled your commitment to the Mexican President.

Since then, the problem of limiting cotton textile imports from Mexico has arisen with which you are familiar. Discussions with the Mexicans continue. Their latest response indicates movement in the direction of a negotiated settlement.

Expeditious Transfer of Chamizal

Commissioner Friedkin is close to completing acquisition of lands now in private hands to be transferred to Mexico under the Chamizal settlement. Federal agencies are also letting bids for the relocation of public utilities now on those lands. Once these tasks are completed, we will be in a position to set a date for the formal transfer. We would like to hold the ceremony on September 25, 1967. This is the anniversary of your meeting with President Lopez Mateos in 1964 for the symbolic transfer. It also gives us time to get the Chamizal Memorial Park and Memorial Highway projects underway so that their dedication can be made part of the ceremony. We have informed the Mexicans of this time-table.

The House has passed a bill authorizing 100% federal financing of the Chamizal Memorial Highway. The Senate Foreign Relations Committee has reported out a bill requiring the State of Texas to pick up 50% of the tab. Senator Yarborough will try to have this amount reduced to 10% when the bill goes to conference./4/

/4/ The final version of the bill (PL 89-795), which was signed into law on November 8, placed a ceiling of \$8 million on the federal contribution to the Chamizal highway. (80 Stat. 1477)

Commission to Raise Living Standards in Border Communities

State and OEO have developed a comprehensive plan for establishing the Joint Commission, including negotiations with the Mexicans (Stage I), an initial study of economic and social problems of the border communities (Stage II), and specific proposals for administering and financing our part of the program likely to emerge from the study (Stage III). You have authorized action on Stages I and II. State reviewed the proposals with the House and Senate Latin American Subcommittee and ran into no significant problems. Secretary Rusk and Linc Gordon will be discussing them with the Mexicans this weekend. On his return next week, Linc will call Ambassador Telles to express your wish that he take the chairmanship of the U.S. Section of the Commission.

Creation of Lincoln-Juarez Scholarship Funds

State has worked out a plan for funding our part of the program and selecting the scholars. It has also prepared detailed proposals for the creation of a Joint Commission to supervise the operations of the two funds and has asked Ambassador Freeman to discuss them with the Mexicans. Secretary Rusk and Linc will be following up on this matter.

Increase in Cultural Exchange

Charlie Frankel/5/ has done an excellent job of stepping up the flow of U.S. cultural programs to Mexico. I sent you his first report last May. At Tab A/6/ is his most recent account of what he has done. Getting the Mexicans to reciprocate looms as a problem.

/5/ Assistant Secretary of State for Educational and Cultural Affairs.

/6/ Attached but not printed.

Rio Colorado Salinity

The Mexicans have been concerned that (1) our ground water recovery program on the lower Colorado River would reduce the underground water flows to Mexico and (2) our substituting these recovered waters for surface waters in the river water delivered to them under the 1944 Water Treaty would leave Mexico with poor quality water.

State and Interior have reached agreement on the nature of the assurances to be given to Mexico on these points. Secretary Udall is going to Mexico in November to present the assurances.

This summer Mexico asked us for additional water to cover an acute shortage. Despite our tight situation, Interior agreed to lend them 40,535 acre feet to be repaid over a period of time depending on the adequacy of our runoffs next year.

Gulf of California Nuclear Desalinization Plant

The Joint Study Group is continuing its pre-feasibilities studies. The pace of their work has moved more slowly than we would like. Our members have virtually completed their assignments. But the Mexicans have not kept pace. At their request, a meeting of the Group scheduled for October has been postponed to January, or later.

W. W. Rostow/7/

/7/ Printed from a copy that bears this typed signature.

359. Memorandum From the President's Special Assistant (Rostow) to President Johnson/1/

Washington, October 24, 1967.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Diaz Ordaz Visit, Background and Misc., 10/26-28/67. Confidential.

SUBJECT
Ford's Difficulties in Mexico

The attached memorandum from Tony Solomon^{/2/} describes a serious problem the Ford Motor Company is having with its operations in Mexico. He suggests that you mention the matter to President Diaz Ordaz.

^{/2/} Attached but not printed.

The difficulty in a nutshell is this:

Ford built a plant in Mexico City to produce sophisticated assembly-line production tools. It exports about \$5 million worth of these per year. Part of the deal was that in exchange for this investment the Mexicans would add 5000 units to Ford's basic quota of automobiles (20,000) produced in its car plant. The tool plant is a marginal operation. The car plant is profitable only with the additional quota.

The Mexicans, in a move to force Ford to allow Mexican capital to buy into the company, (i.e., Mexicanization program), has told Ford that it can no longer have its extra quota of cars. Ford has gained a temporary reprieve, but says that it will close down its tool plant operation unless it is allowed to retain its additional quota.

We feel that Ford is being unfairly treated. They built the tool plant in the understanding that they could produce more cars. This understanding is being withdrawn. We think it is bad for Mexico and our whole Alliance for Progress effort to have private enterprise in an attractive venture as tool-making squeezed out.

Consequently, Tony suggests that you propose to President Diaz Ordaz that he appoint someone from his personal staff to go into the problem quietly with your representative.^{/3/} As Tony notes, it would not be productive to have Secretary Rusk raise this with Carrillo Flores, since he would have to turn it over to his Cabinet colleague who is behind the squeeze.

^{/3/} Rostow added the following suggestion: "For example, Tony Solomon."

I concur in Tony's suggestion.

Walt

I'll make the proposal^{/4/}
Prefer not to
See me

^{/4/} This option is checked. According to a handwritten note on the memorandum, the President told Jim Jones: "Be sure I'm reminded of this." No evidence has been found that Johnson raised the issue with Díaz Ordaz during the state visit.

360. Editorial Note

On October 26, 1967, President Díaz Ordaz arrived in Washington for a 3-day state visit to the United States. Following the ceremonies, Díaz Ordaz met President Johnson for a broad discussion of U.S.-Mexican relations. The official memoranda of conversation record the following topics: Hemisfair, Chamizal, Vietnam, Latin American Common Market, Mexican Temporary Workers, U.S.-Mexican Border Development Commission, Friendship Parks, Screwworm Barrier, Possible Trade Restrictions, Latin American Nuclear Free Zone, Nuclear Desalinization Plant, and Mexican Scientific Development. (Johnson Library, National Security File, Country File, Mexico, Visit of President Diaz Ordaz, Chamizal Settlement, 10/26-28/67) On October 27 Johnson and Díaz Ordaz met for another discussion, addressing such issues as Peru, Brazil, and Military Equipment for Mexico. (National Archives and Records Administration, RG 59, Central Files 1967-69, POL 7 MEX) The two Presidents then attended a ceremony in the Rose Garden, where Secretary of State Rusk and Foreign Minister Carrillo Flores signed the formal agreement legalizing the transfer of Chamizal to Mexico. On October

28 the state visit concluded with a joint ceremony at El Paso and Ciudad Juárez to mark the Chamizal settlement. For remarks made by Johnson and Díaz Ordaz during the trip, see *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1967*, Book II, pages 945-962; and Department of State *Bulletin*, November 20, 1967, pages 673-685. Documentation on the visit is also in the Johnson Library, National Security File, Country File, Mexico, Visit of President Díaz Ordaz; and National Archives and Records Administration, RG 59, Official Visit Chronologies, 1967: Lot 68 D 475, V-49A and V-49B.

361. Information Memorandum From the President's Special Assistant (Rostow) to President Johnson/1/

Washington, March 9, 1968.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. IV, 1/68-10/68. Confidential.

SUBJECT
Mexican Border Restrictions

Prior to Christmas and Washington's birthday the Mexican Government instituted tough customs inspection against returning Mexican nationals resident outside the border zone travelling overland from shopping trips to Texas border cities. US merchants, particularly in Laredo, felt the pinch and made loud complaints at State, here and on the Hill. On both occasions strong representations to the Mexican Ambassador and the Foreign Office brought relaxation of the enforcement.

While we protested the Mexican action, our grounds were not strong because the Mexican Government was simply enforcing customs regulations on the books-even though not always applied. Mexico has a peculiar customs system under which nationals returning by air can bring back a long list of articles duty free, while overland returnees are restricted to just a few items. We understand the severe enforcement measures at Christmas and Washington's birthday were due to pressure of Monterrey merchants who anticipated heavy purchases in US border cities by Mexicans living in the interior.

The issue of eliminating the discrepancy of exemptions between air travellers and overland travellers was raised in the US-Mexico Trade Committee meeting last December. The Embassy has also taken it up with the Foreign Office. In view of the recent difficulty, State instructed Ambassador Freeman on March 1 to press for a resolution of the problem./2/ He is to point out that purchases along the border by our respective tourists is a two-way street. For years we have waived the Treasury requirement that US tourists must remain at least 48 hours outside the US before taking advantage of the duty-free exemptions for purchases abroad. In the new proposals governing US tourism, Mexico has a privileged position. We expect the Mexicans to reciprocate.

/2/ In telegram 123164 to Mexico City. (National Archives and Records Administration, RG 59, Central Files 1967-69, FT 23 MEX)

Specifically, Freeman is to seek:

-simplification and clarification of customs regulations.

-elimination of differences between air and overland travellers, hopefully making the overland treatment conform to the more liberal air treatment.

-assurances of consistent enforcement during holiday and non-holiday periods.

I will keep you posted on how these talks progress./3/

/3/ An initial report on the Embassy's efforts is in telegram 3868 from Mexico City, March 15. (Ibid.)

Walt

362. Information Memorandum From the Assistant Secretary of State for Inter-American Affairs (Oliver) to Secretary of State Rusk/1/

Washington, July 31, 1968.

[/1/ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 23-8 MEX. Confidential. Drafted by Maxwell Chaplin \(ARA/MEX\). A notation on the memorandum indicates that Rusk saw it.](#)

SUBJECT
Student Disturbances in Mexico

After five days, the worst student disturbances in Mexico City in 20 years appeared to be abating on July 31 as federal troops were withdrawn from the city. The demonstrations and rioting primarily involved secondary students, protesting police brutality and grievances against the bus companies, who were subsequently incited by communist and pro-Castro groups. Police sources have reported four students dead, and over 200 persons injured.

When student demonstrators overwhelming riot police in the center of the city on July 29, army troops had to be called in to restore order and to expel students from the secondary schools they had occupied.

Following the initial disorders July 26 the Government arrested Communist Party (PCM) leaders and raised a communist paper. The press continues to stress communist and foreign involvement and the Government has indicated its intention to deport large numbers of foreigners including known communists even if they were not involved in the disorders. The daughter of U.S. folksinger Pete Seeger and one other American are among those who were arrested.

Embassy Mexico reports that while there is broad sympathy among students for the demonstrators and against police, there is little popular support, and even some resentment of the disruption caused.

The GOM may have used the disorders as a pretext to remove from circulation those communist leaders who it suspected might have led disturbances during the Olympics in October.

President Diaz Ordaz has not cut short a trip in the provinces in an apparent effort to minimize the importance of the riots. Protection of our Embassy has been excellent, and the American School, closed July 30 because of a bomb scare, reopened July 31, as did the National University.

The student grievances about police brutality, bus company failure to indemnify injured students and Government violation of university "autonomy" remain. When news of the four student deaths (currently suppressed) becomes public, further disorders are likely, though current estimates are that the worst of the violence has run its course.

363. Information Memorandum From the Assistant Secretary of State for Inter-American Affairs (Oliver) to Secretary of State Rusk/1/

Washington, September 20, 1968.

[/1/ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 23-8 MEX. Confidential. Drafted by Michael Yohn and Maxwell Chaplin. A notation on the memorandum indicates that Rusk saw it.](#)

SUBJECT
Mexico-Prospects following Occupation of the National University

The Mexican Government, in occupying the National University, has now committed itself to coercion as its method of ending the two-month long student disorders. The next week should reveal whether or not the majority of students have the will to continue their opposition in the face of the Government's declared policy.

At this point, we see the following as likely developments flowing from the GOM decision:

1. The GOM will continue to take a hard line against the students and will occupy other educational facilities as necessary.

2. The Olympic Games will be held, although marred by sporadic violence.
3. Students are not likely to attract significant support from other important sectors and will not threaten the stability of the Government in the short run.
4. The prestige of Diaz Ordaz' regime has been damaged both because of its initial vacillation in handling the students and because of its violation of university autonomy.

364. Information Memorandum From the Assistant Secretary of State for Inter-American Affairs (Oliver) to Acting Secretary of State Katzenbach/1/

Washington, October 3, 1968.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 23-8 MEX. Confidential. Drafted by Michael Yohn.

SUBJECT
Mexican Situation

Last night's serious violence in Mexico City seems to have been the result of provocation by student extremists and gross over-reaction by the security forces. We see its significance as follows:

1. It was a sharp blow to President Diaz Ordaz and his Government, both because of the excessive force used and because it underscores the GOM failure, after 11 weeks, to eliminate violence.
2. It reopens the question of whether the Olympics can be held. An International Olympic Committee decision to postpone, or cancel, the games would have serious political consequences for the Diaz Ordaz regime.

Issues for U.S.

The continuing violence raises two concerns for the U.S.: 1) the safety of U.S. athletes and visitors to the games and 2) U.S. participation in scientific and cultural activities associated with the Olympics.

Thus far, the violence has been contained in certain areas of the city, has not been directed against the U.S., and has not threatened any visitors exercising reasonable caution. Therefore we do not feel a warning to our citizens is warranted at this time.

Our participation in the scientific and cultural activities is still going forward as planned, with the exception of the space and nuclear energy exhibits, whose installation at university sites has been delayed at GOM request.

We believe it important to avoid any indication that we lack confidence in the GOM's ability to control the situation. Accordingly, in responding to press questions today the Department's spokesman said that we believe the GOM will provide security to visitors and that we are not warning against visiting Mexico City during the Olympics.

365. Information Memorandum From the President's Special Assistant (Rostow) to President Johnson/1/

Washington, October 5, 1968.

/1/ Source: Johnson Library, National Security File, Country File, Mexico, Vol. IV, 1/68-10/68. Secret. A notation on the memorandum indicates that the President saw it.

SUBJECT
Mexican Riots-Extent of Communist Involvement

You asked about the extent to which the Cuban Communists or other foreign groups were involved in the Mexican riots this week.

The CIA analysis attached (Tab A)/2/ concludes that the student demonstrations were sparked by domestic politics, not masterminded by Cubans or Soviets. Their primary role was restricted to supplying some money to student groups.

/2/ Tab A is a memorandum prepared by CIA, October 5; attached but not printed.

CIA believes the weapons employed by the students could have been obtained locally. Although they did not start the trouble, Mexican Communists, Trotskyists, and Castroites all capitalized on the disorders once they began and took active parts.

An FBI report (Tab B)/3/ asserts that a Trotskyist group initiated the sniper fire at the police and army from prepared positions in various apartment buildings, and they were responsible for touching off the bloodshed. This so-called "Olympia Brigade" reportedly obtained automatic weapons from Cuban and Guatemalan extremist organizations and plans acts of sabotage during the Olympic games.

/3/ Tab B is a cable from FBI Director Hoover to the President, et al., October 5; attached but not printed.

Walt

P.S. Bruno Pagliai called when he was in Washington for the Bank and Fund meetings. He had talked with President Diaz Ordaz. Diaz Ordaz vows that he will establish law and order and see the Olympics through. Diaz Ordaz says that the riots were carefully planned. A good many people came into the country. The guns used were new and had their numbers filed off. The Castro and Chinese Communist groups were at the center of the effort. The Soviet Communists had to come along to avoid the charge of being chicken.

Walt

366. Memorandum From Secretary of State Rusk to President Johnson/1/

Washington, December 11, 1968.

/1/ Source: National Archives and Records Administration, RG 59, Central Files 1967-69, POL 7 MEX. Confidential.

SUBJECT

Your Meeting with President Gustavo Diaz Ordaz, Friday, December 13, 1968

The Visit

You last saw President Diaz Ordaz when he made a State Visit to the United States in October, 1967. At that time, you visited the Chamizal site and participated in a ceremony at the Mexican Chamizal Monument. This latest visit will be the final step in the historic Chamizal settlement-to inaugurate the President Adolfo Lopez Mateos Channel which will carry that portion of the Rio Grande which was relocated as a result of the Agreement. It will be your sixth meeting with President Diaz Ordaz and will give you the opportunity to stress the cordial relations which exist between our countries.

Mexico Today

The student conflict which erupted July 15 is drawing to an end. The Student Strike Committee has called for a return to classes and is being heeded by increasing numbers of students. The threat of violence has largely passed, although we expect the students will continue to pressure the Government for certain legal reforms and for the replacement of several unpopular police officials. The prolonged nature of the conflict, and the fact that the Government of Mexico resorted to heavy repression on several occasions, have somewhat marred President Diaz Ordaz' image. The President, however, remains in firm control of his Government and continues to enjoy broad support throughout Mexico. For the coming year he will give much of his attention to the decision on a candidate to succeed him in 1970. There are no clear favorites at this

point.

Mexico's economic situation continues to be relatively favorable with real GNP growth averaging 3 percent per year, and a rate of inflation within acceptable bounds. Mexico continues to have an excellent international credit rating. Recently, however, several soft spots have become apparent for which remedial action will probably be necessary: 1) a trend towards excessive foreign borrowing to compensate for a sharply increased current account deficit; 2) an industrial sector which has difficulty in competing in world markets and; 3) a poverty stricken rural sector which encompasses 50 percent of their nation's population but accounts for only 16 percent of the GNP.

The Olympics, as you know, were held with outstanding success. The Games were a source of great national pride for all Mexicans./2/

/2/ Attached but not printed are: talking points, a tentative schedule, a status report on matters previously discussed by the Presidents, and biographic data. According to the President's Daily Diary, the two Presidents met on the Paso del Norte Bridge in El Paso, Texas, December 13, 11:33 a.m. CST. (Johnson Library) The schedule was largely ceremonial; no memorandum of conversation has been found. For text of Johnson's prepared remarks and luncheon toast, as well as the respective efforts of Díaz Ordaz, see *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1968-69*, Book II, pp. 1186-1192.

Dean Rusk